

By: Fraser

S.B. No. 1945

A BILL TO BE ENTITLED

AN ACT

1  
2 Relating to establishing competitive retail electricity options  
3 for customers served by certain municipally owned utilities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 33.122, Utilities Code is amended by  
6 adding new subsection (1) as follows:

7 (1) This section applies only to a municipally owned utility  
8 that has at least 400,000 customers, is governed by a municipality  
9 with a population of less than 1,300,000 and is located within the  
10 ERCOT power region. Notwithstanding any other provision, a  
11 customer or group of customers with a total usage of more than  
12 25,000,000 kwh per year may file a petition to have the commission  
13 review current or proposed rates applicable to the petitioning  
14 customers.

15 (a) Within 90 days of a petition being filed under this  
16 subsection, the municipally owned utility shall file a rate  
17 application with the commission that complies in all material  
18 respects with the rules and forms prescribed by the commission. The  
19 90 period may be extended by the commission for good cause.

20 (2) The commission shall conduct a full review of the rates  
21 applicable to the petitioning customers consistent with the  
22 standards prescribed in Chapter 36 to determine whether those rates  
23 are just and reasonable. The commission shall also consider  
24 whether the rates are consistent with the rates available to

1 similarly situated customers in areas of the state that have access  
2 to customer choice.

3 (3) If the commission finds that the rates are not just and  
4 reasonable, or not consistent with the rates available to similarly  
5 situated customer areas of the state that have access to customer  
6 choice, the commission shall either:

7 (a) set rates for the petitioning customer or  
8 customers that are just, reasonable, and consistent with the rates  
9 available to similarly situated customers in areas of the state  
10 that have access to customer choice, or

11 (b) set cost-based transmission and distribution  
12 rates for the municipally owned utility and allow a petitioning  
13 customer or customers to purchase electricity through a competitive  
14 retail electric provider.

15 SECTION 2. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the member elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2015.